

AMENDED IN SENATE MARCH 23, 2011

**SENATE BILL**

**No. 721**

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**Introduced by Senator Lowenthal**

February 18, 2011

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An act to add Chapter 13 (commencing with Section 67050) to Part 40 of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 721, as amended, Lowenthal. California higher education: educational and economic goals.

Existing law establishes the University of California, under the administration of the Regents of the University of California, the California State University, under the administration of the Trustees of the California State University, and the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as the 3 segments of postsecondary education in this state.

Existing law establishes a higher education accountability program under which the University of California, the California State University, and the California Community Colleges are required to prepare a list of reports on a regular basis and present those reports to the Legislature and to state agencies. Under the program, the California Postsecondary Education Commission is required to submit annually a higher education report to the Legislature and the Governor that provides information on significant indicators of the performance of public colleges and universities.

This bill would require an undesignated state entity to establish an additional accountability framework for achieving prescribed educational

and economic goals. The bill would require that the framework so established be guided by *follow* stated principles. The bill would require this framework to measure the collective performance of the state's system of higher education in successfully serving students by answering 6 statewide policy questions.

The bill would make various legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 13 (commencing with Section 67050)  
2 is added to Part 40 of Division 5 of Title 3 of the Education Code,  
3 to read:

4  
5 CHAPTER 13. EDUCATIONAL AND ECONOMIC GOALS FOR  
6 CALIFORNIA HIGHER EDUCATION  
7

8 67050. The Legislature finds and declares all of the following:

9 (a) Since the enactment of the Master Plan for Higher Education  
10 in 1960, California's system of postsecondary education has  
11 provided access and high-quality educational opportunities that  
12 have fueled California's economic growth.

13 (b) In today's global information economy, California's national  
14 and international success as an educational and economic leader  
15 will require strategic investments and improved management of  
16 state resources.

17 (c) Several factors, including changing demographics, rising  
18 costs, increased competition for scarce state funding, and employer  
19 concerns about graduates' skills, present new challenges to higher  
20 education and state policymakers in effectively meeting the  
21 postsecondary education needs of Californians.

22 (d) Although the public segments of higher education have each  
23 developed their own institution-specific accountability efforts,  
24 these efforts do not combine to tell us whether the state as a whole  
25 is on track to produce enough college educated individuals to meet  
26 workforce needs and to effectively compete in the global  
27 information economy, nor do they reflect statewide policy goals  
28 that cut across all higher education segments.

1 (e) Without the articulation of a shared common vision and  
2 goals, and in the absence of a statewide focus and context, the state  
3 has limited access to meaningful data and analyses to assess the  
4 state's performance in key areas in order to make critical fiscal  
5 and policy decisions.

6 (f) As public demand to ensure the state is making proper  
7 investments in postsecondary education grows, policy and  
8 educational leaders must collectively hold themselves accountable  
9 for connecting the postsecondary academic and research enterprise  
10 to the state's economic and workforce development needs,  
11 increasing the state's productivity, and expanding postsecondary  
12 access for all citizens and regions of the state to produce the  
13 economic and educational outcomes that best serve the state's  
14 interest.

15 ~~(g)~~  
16 67050.5 In order to achieve the educational and economic  
17 outcomes necessary to ensure the state's success, ~~it is the intent~~  
18 ~~of the Legislature that~~ data-driven budget and policy decisions  
19 within higher education *shall* be guided by each of the following  
20 goals:

21 ~~(1)~~  
22 (a) Increased educational attainment and successful transition  
23 across all education levels. In the best performing state in the  
24 nation, for every 100 pupils in grade 9, 91 graduate from high  
25 school, 57 directly enter college, and 27 graduate within 150  
26 percent of program time. However, in California, for every 100  
27 pupils in grade 9, 71 graduate from high school, 31 directly enter  
28 college, and 17 graduate within 150 percent of program time,  
29 placing California 27th in the nation. Goal: by 2020, California  
30 will have improved its educational pipeline numbers sufficiently  
31 so that it is among the top 10 states in the nation for the successful  
32 movement of students through this pipeline.

33 ~~(2)~~  
34 (b) Meeting the state's economic development, workforce  
35 development, and civic capacity needs. Current projections by the  
36 National Center for Public Policy and Higher Education indicate  
37 that California residents will have the largest drop in projected per  
38 capita income in the nation over the next two decades, and will  
39 fall below the national average by 2012. Goal: by 2020, California  
40 will be at the average per capita income of the top 10 new economy

1 states as determined using the State New Economy Index  
2 developed by the Progressive Policy Institute.

3 ~~(3)~~

4 (c) Closure of the achievement gap and increased learning at  
5 all levels. In 2005, California ranked 33rd among states in the  
6 percentage of persons between 18 and 24 years of age, inclusive,  
7 with a high school diploma, 31st in the percentage of persons  
8 between 25 and 64 years of age, inclusive, with an associate degree,  
9 and 14th in the percentage of persons between 25 and 64 years of  
10 age, inclusive, with a bachelor's or higher degree. Goal: by 2020,  
11 California will be in the top 10 states nationally for the percentages  
12 of its age groups with degrees and certificates conferred.

13 67051. The State of California shall establish an accountability  
14 framework that provides the basis for a biennial assessment of the  
15 collective contribution of the state's system of postsecondary  
16 education toward meeting the clear and measurable educational  
17 and economic goals established pursuant to Section 67050. The  
18 accountability framework developed to monitor progress toward  
19 these goals shall be guided by all of the following principles:

20 (a) A state-level accountability framework is designed to help  
21 policymakers develop, maintain, and fund a postsecondary  
22 education system that meets the state's goals, recognizes the  
23 differentiated missions of each segment of postsecondary  
24 education, and guides the segments toward maintaining effective  
25 institutions consistent with state goals and institutional missions.

26 (b) Policymakers and governing boards are collectively  
27 accountable for meeting public goals for higher education, in  
28 accordance with all of the following:

29 (1) Monitoring progress toward meeting state goals is largely  
30 the responsibility of state policymakers.

31 (2) Monitoring the performance of individual colleges and  
32 universities is primarily the responsibility of institutional governing  
33 boards.

34 (3) Institutional governing boards have ongoing responsibility  
35 for monitoring the progress toward meeting statewide policy goals  
36 of individual colleges and universities, for meeting segmental and  
37 institutional missions and goals, for ensuring the quality of the  
38 students' education, and for providing information to students and  
39 parents regarding enrollment, retention, and student success.

1 (c) The state-level reporting system shall be designed to contain  
2 only data that helps policymakers to assess progress toward  
3 meeting state goals and to make appropriate policy and funding  
4 decisions. Specific indicators may change as better data are  
5 identified for assessing progress toward meeting state goals.

6 (d) In establishing an accountability framework for higher  
7 education, it is the intent of the Legislature to build upon existing  
8 higher education data, information systems, reports, and processes,  
9 including, but not limited to, the reporting process established in  
10 Section 84754.5, and improve upon these efforts to measure  
11 collective progress toward common vision and goals.

12 (e) Rather than envisioning a particular level of higher education  
13 funding to move toward the statewide educational and economic  
14 policy goals established pursuant to Section 67050, it is the intent  
15 of the Legislature that the framework established pursuant to this  
16 chapter help ensure the effective and efficient use of whatever  
17 funding is provided to higher education.

18 ~~67051.5.—It is the intent of the Legislature that, after sufficient~~  
19 ~~opportunity for deliberation and analysis, the information gathered~~

20 *67051.5 The information gathered* under the framework  
21 established pursuant to this chapter *shall* be utilized by the  
22 Governor and the Legislature to do all of the following through  
23 appropriate actions:

24 (a) Establish clear and measurable goals in various areas,  
25 including, but not limited to, enrollment, completion,  
26 time-to-degree, efficiency in facilities utilization, transfer, and  
27 access.

28 (b) Establish a timeline for phasing in the Legislature's and the  
29 Governor's expectations for the achievement of these goals.

30 (c) Develop policy and budget proposals that include appropriate  
31 funding mechanisms, where appropriate, for achieving these goals,  
32 including, but not limited to, incentive funding, differential funding,  
33 or the reallocation of existing resources, or all of these.

34 67052. The state shall utilize the accountability framework  
35 established pursuant to this chapter to measure progress toward  
36 its articulated educational and economic goals by collecting and  
37 reporting information that answers all of the following six statewide  
38 policy questions:

39 (a) Are enough Californians prepared for postsecondary  
40 education?

- 1 (b) Are enough Californians going to college?
- 2 (c) Is the state's postsecondary education system affordable to
- 3 all Californians?
- 4 (d) Are enough Californians successfully completing certificates
- 5 and degrees?
- 6 (e) Are college graduates prepared for life and work in
- 7 California?
- 8 (f) Are California's people, communities, and economy
- 9 benefiting?